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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 04/05/07-2

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agricultural policy

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Articles:

11) Government to establish a food council to discuss long-term
agricultural policy

YOMIURI (Page 11) (Full)
April 5, 2007

The government's Headquarters on the Promotion of Policies for Food, Agriculture and Rural Areas (headed by Prime Minister Abe) yesterday adopted "the 21st century's new agricultural policy 2007 (NAP 2007)," the main elements of which include establishing a "national food council (tentative name)" to discuss agricultural policy from a long-term perspective due to changes in the food situation, including global warming.

The new council will consist mainly of experts. The government has set the goal of raising Japan's food self-sufficiency ratio to 45% by fiscal 2015, and in addition to that, the government will discuss such items as a long-term goal of the food self-sufficiency ratio, (according to the new agricultural policy 2007). Another item for discussion is how to prepare a food stockpile system in preparation for the disruption of transportation due to disputes.

Moreover, the NAP2007 includes a plan to combine 70% or so of the scattered farm acreage (3,150,000-3,600,000 hectares) operated by certain level of farmers in 2015. In order to boost the safe management system for agricultural products, the NAP2007 comes up with a plan to introduce a good agriculture practice (GAP) so that fertilizer and agricultural chemicals will be used in line with standards in 2,000 major growing districts across the country.

12) Over 95% of FDI of more than 10 billion yen aimed at M&A last year

NIHON KEIZAI (Page 5) (Full)
April 5, 2007

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According to the Bank of Japan (BOJ), in 2006, over 95% of large-scale foreign direct investment (FDI) cases of more than 10 billion yen each were for the purpose of mergers and acquisitions (M&A). The ratio of FDIs aimed at establishing a new company or plants -- green-field investments -- to total cases dropped off. Behind this trend seems to be active moves by foreign investment funds to merge with or otherwise acquire Japanese firms.

The total value of FDI in 2006 was 5.2661 trillion yen. The BOJ conducted a survey of large-scale FDI cases worth more than 10 billion yen each (68.2% of the total) to assess their purposes.

The purposes were classified into three types: (1) M&A types aimed at equity participation in Japanese firms; (2) green-field type aimed at acquiring fixed assets, such as establishing a new company or plants; and (3) fiscal-improvement type aimed at discharging debts held by the investment destination.

The survey found that the ratio of M&A-type cases to the total had increased nearly 20 percentage points since two years ago to 95.9%. Green-field type investments were only 0.5% of the total. The ratio of fiscal improvement-type cases was over 20% two years ago, but the figure decreased to 1.9% in 2006.

13) Japan leads world in physics, according to Education and Science Ministry's report

YOMIURI (Page 2) (Full)
April 5, 2007

There are many cases in scientific theses by Japanese researchers take the world's lead in such fields as physics and material science, but when it comes to the engineering and environment areas, Japanese researchers' papers are somewhat inconspicuous. The Science and Technology Policy Research Institute of the Education, Culture, Sports, Science and Technology made the above evaluation in its report released yesterday.

Using the database possessed by an American research company, the research institute analyzed about 10,000 important theses that were

quoted many times among those issued from the 1999 - 2004 period. The institute found that of the 10,000 papers, Japanese researchers' theses accounted for 9% and ranked 4th, following the United States (61%), Germany (13%), and Britain (12%). France (7%) and China (3%) were fifth and sixth, respectively.

By sector, Japan held more than 9% in the areas of physics, chemistry, material science, zoology, and botany. In specific superconductivity, in particular, papers from Japan made up about 60%. In the interdisciplinary field, such as elucidation of the functions of biologic molecule and developing of new materials, as well, Japan's shares were at a high level.

14) New Komeito Okinawa chapter to protest to education minister over textbook screening to change "mass suicide" description

ASAHI (Page 4) (Full)
April 5, 2007

The New Komeito Okinawa chapter will present a letter of protest to Education, Science and Technology Minister Bunmei Ibuki over the

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ministry 's opinion reached in the process of screening textbooks for fiscal 2006 that publishers should revise descriptions on the Imperial Japanese Army's involvement in the mass suicide during the Battle of Okinawa. It is rare for a branch of the New Komeito, a ruling party, to present a cabinet minister with a letter of protest. Criticism is also strong in Soka Gakkai, a lay Buddhist organization serving as the party's largest support base. The decision also reflects the party's concern about the April 22 Upper House Okinawa by-election that will be officially announced today.

According to a source familiar with the party, Okinawa chapter representatives and others are scheduled to meet Ibuki shortly. A senior New Komeito lawmaker said: "Okinawa voters are angry. Unless we demonstrate that we have protested to the education minister, we won't be able to fight in the election."

15) Minshuto to submit 10 counterproposals to ruling bloc-presented important bills, envisioning joint efforts with other opposition parties

NIHON KEIZAI (Page 2) (Abridged)
April 5, 2007

The major opposition party Minshuto (Democratic Party of Japan) is eager to present counterproposals to the important bills presented by the ruling coalition in the second half of the ongoing Diet session. The party intends to submit 10 bills, including one to establish a revenue agency to counter the ruling coalition's bill to reform the Social Insurance Agency. Reversing its past counterproposal strategy of reflecting its standpoints in bills presented by the government and the ruling coalition through revision talks with them, Minshuto intends to present bills that clearly reflect the party's originality. In a bid to make a clear distinction with the Abe administration with a view to joining efforts with other opposition parties in the Upper House election in July, the largest opposition party will go on the offensive on the policy front.

Of all Minshuto counterproposals, only the one outlining procedures for a national referendum for constitutional revision implies the party's willingness to have revision talks with the ruling bloc. Starting with a bill to abolish the Iraq Reconstruction Support Special Measures Law, all other Minshuto counterproposals conflict with bills presented by the government and the ruling parties.

The party intends to keep its adversarial stand even if it does not present counterproposals. The party decided yesterday to oppose the US force realignment special measures bill. Only a few bills, including the one to establish a basic maritime law, will require joint efforts with the ruling bloc.

The party intends to draft a plan amending its own national referendum bill based on its past talks with the ruling coalition.

Given the party's unwillingness to dilute its originality, the ruling bloc, which aims at Lower House approval on April 13, is likely to find it difficult to elicit a concession from Minshuto on the national referendum legislation.

16) Scope column: Stalled talks in ruling camp on reform of status of office expenses, with LDP insisting "Attaching receipts will only make the process complicated" and New Komeito asserting "Why don't they envision the possibility of an uphill battle in elections"

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TOKYO SHIMBUN (Page 2) (Excerpts)
April 5, 2007

Ryuji Watanabe

In order to deal with the problem of huge office expenses posted in political fund reports formed by cabinet members and senior members of the ruling and opposition parties, the ruling bloc established a political fund reform project team (PT) aimed at reviewing the items now categorized as the office expenses. But discussions in the PT have been stalled, primarily because of the deep-rooted cautious view in the ruling Liberal Democratic Party (LDP) of obligating lawmakers to attach receipts to their political fund reports, an idea floated in connection with revisions to the Political Fund Control Law. The junior ruling coalition partner New Komeito, which does not want to delay the process of revising the law, is growing irritable at the delay.

"The LDP remains slow to act. The ball is now in the LDP's court, but the party appears unwilling to throw it back to our court," a certain senior New Komeito member spewed frustration after the first PT meeting on March 27.

Following the revelation of the office-expense scandals involving Education Minister Bunmei Ibuki and Agriculture Minister Toshiaki Matsuoka, the LDP and the New Komeito began discussing measures separately to deal with the office-expense problem. Based on the results of their respective discussions, the ruling parties were supposed to form a bill revising the Political Fun Control Law at a PT meeting.

In the first PT meeting, the New Komeito outlined its own revision bill and insisted: "The law must be amended during the current Diet session."

In contrast, the LDP reported only on how internal discussions were going on, saying, "We've not drawn together various opinions." The first PT meeting ended without dealing with specific items. No timetable for the second PT meeting has been set yet now. This may be partly because unified local elections started.

Why is the LDP slow to act? One reason is that many in the party are cautious about revising the law, noting, "Revisions will obstruct the freedom of political activities." If the executives try to push hard revisions against objections in the party, the party will be thrown into confusion. An idea of obligating lawmakers to attach receipts if the cost of one item exceeds 50,000 yen is particularly meeting with objections from many lawmakers. A veteran Upper House member grumbled: "It will only make our administrative work complicated."

On the other hand, the New Komeito is becoming increasingly alarmed by this situation in the LDP, with one senior member saying: "If we fail to take action now, we will suffer a uphill battle in elections. Why can't they understand this?" The large opposition party Democratic Party of Japan (Minshuto) has already introduced its own bill revising the law in the Diet. If the New Komeito falls in step with the LDP, it will be obvious that it will come under fire from the Minshuto in the upcoming Upper House elections.

"The law must be revised," New Komeito Representative Akihiro Ota

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told Prime Minister Shinzo Abe when he met with Abe at Kantei on March 23, and urged Abe to demonstrate his leadership.

17) Proclamation of Okinawa and Fukushima by-elections today:
Ruling, opposition parties ready to fight with concerted efforts,
with eye on Upper House election

YOMIURI (Page 3) (Excerpts)
April 5, 2007

The ruling and opposition parties are ready to fight with concerted efforts in the Okinawa and Fukushima by-elections, positioning them as a skirmish for the House of Councillors election this summer. In the Upper House election, 121 seats (73 seats in constituencies, 48 proportional representation seats) are up for reelection. It order for the ruling camp, which holds 57 seats that do not come up for election, to hold a majority, it needs to win 65 seats. Since opposition members were holding the two seats in Okinawa and Fukushima, if the ruling camp wins a victory in the two prefectures, the required number of seats will be reduced to 63.

Liberal Democratic Party Secretary General Nakagawa said in a gathering with various groups in Iwaki City, Fukushima Prefecture: "The by-election is a crucial battle. It will be an election to select Prime Minister Abe or Minshuto (Democratic Party of Japan) President Ozawa."

The LDP have stationed several party staff members in both electoral districts since early March. On the day of announcement today, Nakagawa, New Komeito Secretary General Kitagawa will go to Okinawa, while LDP Upper House Secretary General Katayama and New Komeito Deputy Head Yoshihisa Inoue will visit Fukushima for election campaigning. Prime Minister Abe and New Komeito President Ota are also scheduled to visit Okinawa and Fukushima.

Meanwhile, Minshuto Acting President Kan said in a press conference yesterday: "In order to realize the reversal of the positions of ruling and opposition parties in the Upper House election, the outcome of the Okinawa and Fukushima by-elections will become crucial." Keeping in mind its lowest position among all prefectures in terms of income per capita, Minshuto intends to reiterate the need to rectify the existing social disparities in Okinawa. Today, Ozawa and Kan will visit Okinawa, while Secretary General Hatoyama will visit Fukushima.

18) LDP's Tanigaki faction hopes to form encircling net of Abe in cooperation with new YKK trio

SANKEI (Page 5) (Excerpts)
April 5, 2007

A faction headed by former Finance Minister Sadakazu Tanigaki, who ran in the last presidential election in the ruling Liberal Democratic Party (LDP), is now gradually taking an anti-Abe stand. In a meeting on the night of April 3 with former LDP Vice President Taku Yamasaki, Tanigaki severely criticized the stances of Prime Minister Shinzo Abe, who has pushed forward with his policy line of "emerging from Japan's postwar regime." Tanigaki hopes to build an encircling net around Abe in cooperation with Yamasaki, Koichi Kato, and Makoto Koga, who have now formed the new YKK trio.

Attending the meeting on April 3 were five Tanigaki faction members,

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including Tanigaki, former welfare minister Jiro Kawasaki, and former defense chief Gen Nakatani; and four Yamasaki faction members, including Yamasaki, former home affairs minister Takeshi Noda, and former justice minister Okiharu Yasuoka. All the more because the participants were members who had cooperated in the so-called "Kato rebellion" in 2000 in which Kato called on then Prime Minister Mori to step down, the gathering warmed up and Tanigaki was unusually talkative.

Tanigaki: "The present government is leaning too far to the right. The LDP needs a broader wing that allows inclusion of various

views."

Yamasaki: "In order also not to be defeated in the Upper House election, we should build an anti-Abe force."

The participants also referred to the notion of creating a grand Kochi-kai composed of three factions affiliated with the former Miyazawa faction (Kochi-kai). Kawasaki proposed an idea of a merger of the Tanigaki and Koga factions before the July Upper House election. Yamasaki was quoted as saying, "We want you to make efforts to pave the way for it."

Last November, Foreign Minister Taro Aso proposed to Tanigaki a plan to merge the Tanigaki and Aso factions. He at one point agreed to Aso's plan, but since he later revealed he had had a secret meeting with Aso, his relationship with Aso quickly deteriorated. Since then Tanigaki has improved ties with Kato and has taken a stronger anti-Abe stance, criticizing the prime minister's policy line of always following the United States' policy lead.

In the meeting, an agreement was reached that the Tanigaki and Yamasaki factions would aim to cooperate with factions, including the one headed by Yuji Tsushima, which are unhappy with the Abe administration.

19) Split in LDP evident: Tanigaki, Yamasaki factions concerned about administration's tilt toward right, junior lawmakers back diplomatic efforts

YOMIURI (Page 4) (Excerpts)
April 5, 2007

In the Liberal Democratic Party, an "anti-Abe group" who are keeping their distance from Prime Minister Shinzo Abe and a "pro-Abe group" eager to support the prime minister are making active moves in foreign policy and other affairs. Speculation is afoot that the split in the party will grow wider after the Upper House election this summer.

Tanigaki faction leaders, such as former Finance Minister Sadakazu Tanigaki and former Health, Labor and Welfare Minister Jiro Kawasaki, and Yamasaki faction executives, such as former LDP vice president Taku Yamasaki and former Justice Minister Okiharu Yasuoka, held a meeting at a Tokyo restaurant on the night of April 3. The Tanigaki faction urged the members to be ready to join hands with other factions in anticipation of a volatile political situation after the Upper House election.

Tanigaki also expressed concern about the future course of the Abe-led LDP, saying: "The LDP used to be a political party that absorbed diverse views, but it is now leaning toward the right."

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Yamasaki followed suit, saying: "In the past, I was called a hawk. But now I am labeled a liberal despite the fact that my views have not changed. That's because the current administration has shifted toward the right."

Yamasaki, former Secretary General Koichi Kato, and others have launched a group named the Asia Policy and Security Vision Study Group. Yamasaki has also repeatedly held "new YKK" meetings with Kato and Niwa-Koga faction chairman Makoto Koga. "We want to combine non-Abe forces comparable to the Machimura faction (89 members)," a senior Yamasaki faction member noted. But in reality, being a mainstream faction that has produced four cabinet ministers, the Niwa-Koga faction finds it difficult to make a hostile move toward the prime minister.

Meanwhile, mid-level and junior members supporting Abe are set to launch what is called the Group of Lawmakers to Promote Value-Oriented Diplomacy once the Golden Week holiday period in early May is over. Former Senior Vice METI Minister Keiji Furuya, who has actively addressed the abduction issue with the prime minister, and Policy Research Council Chairman Shoichi Nakagawa are expected to become the group's chairman and advisor, respectively.

